

104TH CONGRESS
1ST SESSION

S. 45

To amend the Helium Act to require the Secretary of the Interior to sell Federal real and personal property held in connection with activities carried out under the Helium Act, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 4, 1995

Mr. FEINGOLD introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To amend the Helium Act to require the Secretary of the Interior to sell Federal real and personal property held in connection with activities carried out under the Helium Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the Helium Reform and
5 Deficit Reduction Act of 1995.

6 **SEC. 2. AMENDMENT OF HELIUM ACT.**

7 Except as otherwise expressly provided, whenever in
8 this Act an amendment or repeal is expressed in terms

1 of an amendment to, or repeal of, a section or other provi-
2 sion, the reference shall be considered to be made to a
3 section or other provision of the Helium Act (50 U.S.C.
4 167 to 167n).

5 **SEC. 3. AUTHORITY OF SECRETARY.**

6 Sections 3, 4, and 5 are amended to read as follows:

7 **“SEC. 3. AUTHORITY OF SECRETARY.**

8 “(a) EXTRACTION AND DISPOSAL OF HELIUM ON
9 FEDERAL LANDS.—

10 “(1) IN GENERAL.—The Secretary may enter
11 into agreements with private parties for the recovery
12 and disposal of helium on Federal lands upon such
13 terms and conditions as he deems fair, reasonable
14 and necessary.

15 “(2) LEASEHOLD RIGHTS.—The Secretary may
16 grant leasehold rights to any such helium.

17 “(3) LIMITATION.—The Secretary may not
18 enter into any agreement by which the Secretary
19 sells such helium other than to a private party with
20 whom the Secretary has an agreement for recovery
21 and disposal of helium.

22 “(4) REGULATIONS.—Agreements under para-
23 graph (1) may be subject to such regulations as may
24 be prescribed by the Secretary.

1 “(5) EXISTING RIGHTS.—An agreement under
2 paragraph (1) shall be subject to any rights of any
3 affected Federal oil and gas lessee that may be in
4 existence prior to the date of the agreement.

5 “(6) TERMS AND CONDITIONS.—An agreement
6 under paragraph (1) (and any extension or renewal
7 of an agreement) shall contain such terms and con-
8 ditions as the Secretary may consider appropriate.

9 “(7) PRIOR AGREEMENTS.—This subsection
10 shall not in any manner affect or diminish the rights
11 and obligations of the Secretary and private parties
12 under agreements to dispose of helium produced
13 from Federal lands in existence on the date of enact-
14 ment of the Helium Act of 1995 except to the extent
15 that such agreements are renewed or extended after
16 that date.

17 “(b) STORAGE, TRANSPORTATION AND SALE.—The
18 Secretary may store, transport, and sell helium only in ac-
19 cordance with this Act.

20 “(c) MONITORING AND REPORTING.—The Secretary
21 may monitor helium production and helium reserves in the
22 United States and periodically prepare reports regarding
23 the amounts of helium produced and the quantity of crude
24 helium in storage in the United States.

1 **“SEC. 4. STORAGE AND TRANSPORTATION OF CRUDE HE-**
2 **LIUM.**

3 “(a) STORAGE AND TRANSPORTATION.—The Sec-
4 retary may store and transport crude helium and maintain
5 and operate crude helium storage facilities, in existence
6 on the date of enactment of the Helium Act of 1995 at
7 the Bureau of Mines Cliffside Field, and related helium
8 transportation and withdrawal facilities.

9 “(b) CESSATION OF PRODUCTION, REFINING, AND
10 MARKETING.—

11 “(1) IN GENERAL.—Not later than 1 year after
12 the date of enactment of the Helium Act of 1995,
13 the Secretary shall cease producing, refining, and
14 marketing refined helium and shall cease carrying
15 out all other activities relating to helium which the
16 Secretary was authorized to carry out under this Act
17 before the date of enactment of the Helium Act of
18 1995, except those activities described in subsection
19 (a).

20 “(2) AMOUNT OWNED BY THE UNITED
21 STATES.—The amount of helium reserves owned by
22 the United States and stored in the Bureau of Mines
23 Cliffside Field at the date of cessation of activities,
24 less 600,000,000 cubic feet, shall be the helium re-
25 serves owned by the United States required to be
26 sold pursuant to section 8(b).

1 “(c) DISPOSAL OF FACILITIES.—

2 “(1) IN GENERAL.—Subject to paragraph (5),
3 not later than 1 year after the date of enactment of
4 the Helium Act of 1995, the Secretary shall dispose
5 of all facilities, equipment, and other real and per-
6 sonal property, and all interests therein, held by the
7 United States for the purpose of producing, refining
8 and marketing refined helium.

9 “(2) APPLICABLE LAW.—The disposal of such
10 property shall be in accordance with the provisions
11 of law governing the disposal of excess or surplus
12 properties of the United States.

13 “(3) PROCEEDS.—All proceeds accruing to the
14 United States by reason of the sale or other disposal
15 of such property shall be treated as moneys received
16 under this chapter for purposes of section 6(f).

17 “(4) COSTS.—All costs associated with such
18 sale and disposal (including costs associated with
19 termination of personnel) and with the cessation of
20 activities under subsection (b) shall be paid from
21 amounts available in the helium production fund es-
22 tablished under section 6(f).

23 “(5) EXCEPTION.—Paragraph (1) shall not
24 apply to any facilities, equipment, or other real or
25 personal property, or any interest therein, necessary

1 for the storage and transportation of crude helium
2 or any equipment needed to maintain the purity,
3 quality control, and quality assurance of helium in
4 the reserve.

5 “(d) EXISTING CONTRACTS.—

6 “(1) IN GENERAL.—All contracts that were en-
7 tered into by any person with the Secretary for the
8 purchase by the person from the Secretary of refined
9 helium and that are in effect on the date of the en-
10 actment of the Helium Act of 1995 shall remain in
11 force and effect until the date on which the facilities
12 described in subsection (c) are disposed of.

13 “(2) COSTS.—Any costs associated with the ter-
14 mination of contracts described in paragraph (1)
15 shall be paid from the helium production fund estab-
16 lished under section 6(f).

17 **“SEC. 5. FEES FOR STORAGE, TRANSPORTATION AND WITH-**
18 **DRAWAL.**

19 “(a) IN GENERAL.—Whenever the Secretary provides
20 helium storage, withdrawal, or transportation services to
21 any person, the Secretary shall impose a fee on the person
22 to reimburse the Secretary for the full costs of providing
23 such storage, transportation, and withdrawal.

1 “(b) TREATMENT.—All fees received by the Secretary
2 under subsection (a) shall be treated as moneys received
3 under this Act for purposes of section 6(f).”.

4 **SEC. 4. SALE OF CRUDE HELIUM.**

5 Section 6 is amended—

6 (1) in subsection (a) by striking “from the Sec-
7 retary” and inserting “from persons who have en-
8 tered into enforceable contracts to purchase an
9 equivalent amount of crude helium from the Sec-
10 retary”;

11 (2) in subsection (b)—

12 (A) by inserting “crude” before “helium”;

13 and

14 (B) by adding the following at the end:

15 “Except as may be required by reason of sub-
16 section (a), the Secretary shall not make sales
17 of crude helium under this section in such
18 amounts as will disrupt the market price of
19 crude helium.”;

20 (3) in subsection (c)—

21 (A) by inserting “crude” after “Sales of”;

22 and

23 (B) by striking “together with interest as
24 provided in this subsection” and all that follows
25 through the end of such subsection and insert-

1 ing “all funds required to be repaid to the
 2 United States as of October 1, 1994 under this
 3 section (hereinafter referred to as ‘repayable
 4 amounts’). The price at which crude helium is
 5 sold by the Secretary shall not be less than the
 6 amount determined by the Secretary as follows:

7 “(1) Divide the outstanding amount of such re-
 8 payable amounts by the volume (in mcf) of crude he-
 9 lium owned by the United States and stored in the
 10 Bureau of Mines Cliffside Field at the time of the
 11 sale concerned.

12 “(2) Adjust the amount determined under para-
 13 graph (1) by the Consumer Price Index for years be-
 14 ginning after December 31, 1994.”;

15 (4) by striking subsection (d) and inserting the
 16 following:

17 “(d) EXTRACTION OF HELIUM FROM DEPOSITS ON
 18 FEDERAL LANDS.—All moneys received by the Secretary
 19 from the sale or disposition of helium on Federal lands
 20 shall be paid to the Treasury and credited against the
 21 amounts required to be repaid to the Treasury under sub-
 22 section (c).”;

23 (5) by striking subsection (e); and

24 (6) in subsection (f)—

25 (A) by inserting “(1)” after “(f)”; and

1 (B) by adding the following at the end:

2 “(2)(A) Within 7 days after the commencement of
3 each fiscal year after the disposal of the facilities referred
4 to in section 4(c), all amounts in such fund in excess of
5 \$2,000,000 (or such lesser sum as the Secretary deems
6 necessary to carry out this Act during such fiscal year)
7 shall be paid to the Treasury and credited as provided in
8 paragraph (1).

9 “(B) Upon repayment of all amounts referred to in
10 subsection (c), the fund established under this section
11 shall be terminated and all moneys received under this Act
12 shall be deposited in the Treasury as General Revenues.”.

13 **SEC. 5. ELIMINATION OF STOCKPILE.**

14 Section 8 is amended to read as follows:

15 **“SEC. 8. ELIMINATION OF STOCKPILE.**

16 “(a) REVIEW OF RESERVES.—The Secretary shall re-
17 view annually the known helium reserves in the United
18 States and make a determination as to the expected life
19 of the domestic helium reserves (other than federally
20 owned helium stored at the Cliffside Reservoir) at that
21 time.

22 “(b) STOCKPILE SALES.—

23 “(1) COMMENCEMENT.—Not later than Janu-
24 ary 1, 2005, the Secretary shall commence offering
25 for sale crude helium from helium reserves owned by

1 the United States in such minimum annual amounts
2 as would be necessary to dispose of all such helium
3 reserves in excess of 600,000,000 cubic feet on a
4 straight-line basis between that date and January 1,
5 2015.

6 “(2) MINIMUM PRICE.—The minimum price for
7 all sales under paragraph (1), as determined by the
8 Secretary in consultation with the helium industry,
9 shall be such price as will ensure repayment of the
10 amounts required to be repaid to the Treasury under
11 section 6(c).

12 “(3) DEFERMENT.—The minimum annual sales
13 requirement may be deferred only to the extent that
14 the Secretary is unable to arrange sales at the mini-
15 mum price.

16 “(4) TIMES OF SALE.—The sales shall be at
17 such times during each year and in such lots as the
18 Secretary determines, in consultation with the he-
19 lium industry, are necessary to carry out this sub-
20 section with minimum market disruption.

21 “(c) DISCOVERY OF ADDITIONAL RESERVES.—The
22 discovery of additional helium reserves shall not affect the
23 duty of the Secretary to make sales of helium under sub-
24 section (b).”.

1 **SEC. 6. REPEAL OF AUTHORITY TO BORROW.**

2 Sections 12 and 15 are repealed.

3 **SEC. 7. REPORTS.**

4 Section 16 is amended—

5 (1) by inserting “(a) BY THE SECRETARY.—”
6 before “The Secretary”; and

7 (2) by adding at the end the following:

8 “(b) BY THE INSPECTOR GENERAL.—

9 “(1) FINANCIAL STATEMENTS.—The Inspector
10 General of the Department of the Interior shall
11 cause to be prepared, not later than March 31 fol-
12 lowing each fiscal year commencing with the date of
13 enactment of the Helium Act of 1995, annual finan-
14 cial statements for the helium operations of the Bu-
15 reau of Mines.

16 “(2) COOPERATION.—The Director of the Bu-
17 reau of Mines shall cooperate with the Inspector
18 General in carrying out paragraph (1), and shall
19 provide the Inspector General with such personnel
20 and accounting assistance as may be necessary for
21 that purpose.

22 “(3) CONTENTS.—

23 “(A) IN GENERAL.—The financial state-
24 ments shall be comprised of—

25 “(i) a balance sheet reflecting the
26 overall financial position of the helium op-

1 erations, including assets and liabilities
2 thereof;

3 “(ii) a statement of operations reflect-
4 ing the fiscal period results of the helium
5 operations;

6 “(iii) a statement of cash flows or
7 changes in financial position of the helium
8 operations; and

9 “(iv) a reconciliation of budget reports
10 of the helium operations.

11 “(B) STATEMENT OF OPERATIONS.—A
12 statement of operations shall include the reve-
13 nues from, and costs of, sales of crude helium,
14 the storage and transportation of crude helium,
15 the production, refining and marketing of re-
16 fined helium, and the maintenance and oper-
17 ation of helium storage facilities at the Bureau
18 of Mines Cliffside Field.

19 “(C) BALANCE SHEET.—

20 “(i) IN GENERAL.—The balance sheet
21 shall include—

22 “(I) on the asset side, the
23 present discounted market value of
24 crude helium reserves; and

1 “(II) on the liability side, the ac-
2 crued liability for principal and inter-
3 est on debt to the United States.

4 “(ii) FOR REPORTING PURPOSES.—
5 For financial reporting purposes but not in
6 connection with the determination of sales
7 prices in section 6(c), the balance sheet
8 shall include accrued but unpaid interest
9 on outstanding repayable amounts (as de-
10 scribed in section 6(c)) through the date of
11 the report, calculated at the same rates as
12 such interest was calculated prior to the
13 date of enactment of the Helium Act of
14 1995.

15 “(D) DEFINITIONS.—In this paragraph:

16 “(i) REVENUES.—The term ‘revenues’
17 does not include—

18 “(I) royalties paid to the United
19 States for production of helium or
20 other extraction of resources, except
21 to the extent that the helium oper-
22 ations incur direct costs in connection
23 therewith; or

24 “(II) proceeds from sales of as-
25 sets other than inventory.

1 “(ii) EXPENSES.—The term ‘ex-
2 penses’ includes—

3 “(I) all labor costs of the Bureau
4 of Mines helium operations, and of
5 the Department of the Interior in con-
6 nection therewith; and

7 “(II) for financial reporting pur-
8 poses but not in connection with the
9 determination of sales prices under
10 section 6(c), all current-period interest
11 on outstanding repayable amounts (as
12 described in section 6(c)) calculated at
13 the same rates as such interest was
14 calculated prior to the date of enact-
15 ment of the Helium Act of 1995.

16 “(4) AUDITS.—

17 “(A) IN GENERAL.—The financial state-
18 ments shall be audited annually by the Comp-
19 troller General of the United States, who shall
20 submit a report on such audits to the Secretary
21 of the Interior and Congress not later than
22 June 30 following the end of the fiscal year for
23 which they are prepared.

24 “(B) STANDARDS.—Each audit under sub-
25 paragraph (A) shall be prepared in accordance

- 1 with generally accepted government auditing
- 2 standards.”.

